

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

February 10, 2006

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

PSF No.:06OD-024

Oahu

Approval in Principle of the Acquisition of Private Lands and Set Aside to Department of Land and Natural Resources, Division of Forestry and wildlife, for Addition to the existing Honolulu Watershed Forest Reserve for Watershed Protection and Research, Native Species Habitat Restoration, Endangered Species Recovery, and Forest Recreation, Education and Management, Moanalua, Honolulu, Oahu, Tax Map Keys: (1) 1-1-12:02, 15 & 35 and (1) 1-1-13:01 & 02.

APPLICANT AGENCY:

Department of Land and Natural Resources, Division of Forestry and Wildlife.

PRIVATE LANDOWNER:

Moanalua Valley Properties LLC, a Domestic Limited Liability Company whose mailing address is 999 Bishop Street, Suite 2800, Honolulu, Hawaii, 96813.

LEGAL REFERENCE:

Sections 107-10, 171-11 and 171-30, Hawaii Revised Statutes, as amended.

LOCATION:

Privately-owned lands situated at Moanalua, Honolulu, Island of Oahu, identified by Tax Map Key: (1) 1-1-12:02, 15 & 35 and (1) 1-1-13:01 & 02, as shown on the attached maps labeled Exhibit A and Exhibit B.

AREA:

3,716.12 acres, more or less.

ZONING:

State Land Use District: Conservation District  
City and County of Honolulu CZO: P-1, Preservation

CURRENT USE:

A research of public records indicates the subject site is vacant and unencumbered.

CONSIDERATION:

One-time payment to be determined by independent appraiser contracted for by the State, subject to review and approval by the Chairperson.

PURPOSE:

Watershed protection and research, native species habitat restoration, endangered species recovery, and forest recreation, education and management.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 343-5(a)(1), HRS, an environmental assessment (EA) is not required where State or county funds are being used for the acquisition of unimproved real property. As the subject lands are unimproved, an EA is not required. Inasmuch as the Chapter 343 environmental requirements apply to Applicant's use of the lands, the Applicant shall be responsible for compliance with Chapter 343, HRS, as amended.

A cursory search indicates that the following Conservation Use District Applications (CDUA) was previously submitted for the subject site. However, no CDUA has been submitted for the proposed acquisition.

CDUA No.	Project Title (TMK)	Decision (Date)	Initiator
OA-0451	Conservation District Use Application for Temporary Use of Bus Turnaround and Parking Improvements and Nature Activities of the Summer Fun Program of the City and County of Honolulu Dept. of Recreation (1-1-12:15)	Approved (6/22/73)	S.M. Damon Trust Estate C&C Dept. of Recreation
OA-0648	Conservation District use Application for Highways and Accessory Facilities/Electric Transmission Lines and Support Facilities Under Section 2.B(1) and (2) of Regulation No. 4 (1-1-12:0)	Approved (5/12/75)	S.M. Damon Trust Estate Hawaiian Electric Co., Inc. Department of Transportation
OA-0654	Conservation District use Application for Highways and Accessory Facilities/Electric Transmission Lines and Support Facilities Under Section 2.B(1) and 92) of Regulation No. 4 (1-1-12:0)	Approved (5/9/75)	S.M. Damon Trust Estate Hawaiian Electric Co., Inc. Department of Transportation
OA-1696	Conservation District use Application for Subdivision for a Neighborhood Park at Moanalua Valley, Honolulu, Hawaii (1-1-12:15)	Approved (9/28/84)	C&C Dept. of Parks and Recreation

APPLICANT REQUIREMENTS:

Applicant shall be required to:

- 1) Pay for the cost of an independent appraiser contracted for by the State to determine the value of the property to be acquired;
- 2) Provide survey maps and descriptions for the privately-owned property according to State DAGS standards and at Applicant's own cost;
- 3) Obtain a title report for the privately-owned property at Applicant's own cost and subject to review and approval by the Department;
- 4) Pay for and conduct a Phase I environmental site assessment and, if this Phase I identifies the potential for hazardous materials release or the presence of hazardous materials, conduct a Phase II environmental sampling and analysis plan and perform any and all remediation, abatement and disposal as may be warranted and as satisfactory to the standards required by the Federal Environmental Protection Agency and/or the State Department of Health, all at no cost to the State and to the satisfaction of the Department.

REMARKS:

The Department of Land and Natural Resources, Division of Forestry and Wildlife (DOFAW) is requesting the Board of Land and Natural Resources (BLNR) to approve in principle the acquisition of ±3,716.12 acres of privately held lands identified as TMKs (1) 1-1-12:02, 15 & 35 and (1) 1-1-13:01 & 02 (Exhibits A & B). The subject site is commonly referred to as Moanalua Valley.

Moanalua Valley contains five distinct forest types and over nine miles of meandering stream. Although none of the five native natural communities are considered rare, they are significant because they provide habitat for endangered plants and animals.

Rare taxa native to Hawaii identified in Moanalua Valley include 14 federally listed or candidate endangered plant species including a native plant species known only from Moanalua Valley, three listed birds, an endangered bat and three listed or candidate invertebrates have been identified in the valley.

Moreover, one of the last observations of the Oahu Creeper occurred in Moanalua Valley, making this one of the best areas in which to search for any remnants of this possibly extinct species.

Whereas this area has not been extensively surveyed, it is likely that future surveys may identify additional rare native taxa.

Acquisition of the subject lands and set aside to DOFAW for addition to the existing Honolulu Watershed Forest Reserve will

allow DOFAW to implement programs for watershed protection, native species habitat restoration, endangered species recovery, and forest recreation, education and management.

A research of public records indicates Moanalua Properties LLC currently owns the entire ±3,716.12-acre Moanalua Valley site. However, Trust for Public Land (TPL), a nonprofit corporation, has indicated its desire to acquire Moanalua Valley with the intent of subsequently conveying the fee simple interest in the valley to the State.

Act 178, State Laws of Hawaii, Item K-7, appropriated \$3,000,000 for the fee simple land acquisition of Moanalua Valley. Moreover, on September 27, 2005 the U.S. Fish & Wildlife Service announced \$1,634,364 of Recovery Land Acquisition grant monies was available for this acquisition. Notwithstanding, DOFAW has yet to secure funding for the proposed acquisition as of the date of this submittal.

In addition, TPL is prepared to commit up to \$900,000 from their US Army Compatible Use Buffer fund for Hawaii projects to acquire the ±3,716.12-acre Moanalua Valley site from the current owner.

Consequently, TPL has indicated their need for an appraisal determining the fair market value of the site to be completed by April 15, 2006. This will allow TPL to evaluate its planned acquisition, authorize expenditure from the ACUB fund, and approve a subsequent conveyance to the State.

Whereas Section 171-30(e), Hawaii Revised Statutes, requires an independent appraiser to be contracted by the State to determine the fair market value of interest to be acquired, BLNR's approval in principle will allow staff to initiate the proper process to obtain the required independent appraisal by mid-April and subsequently commence all other due diligence and negotiations. TPL will consider incurring the expenses for the State-contracted appraisal depending on time restrictions and federal-standards qualifications of the selected contractor.

Prior to the proposed conveyance of land, staff shall present the results and/or findings of all due diligence reports and all draft agreements pertaining to the proposed acquisition for BLNR's review and final approval. Moreover, any agreements pertaining to the proposed land acquisition shall remain subject to approval by the Department of the Attorney General.

Whereas this request before the Board is for an approval in principle, comments from other government agencies have yet to be solicited. Staff will solicit comments from appropriate agencies, which shall be included into the request for BLNR's final approval.

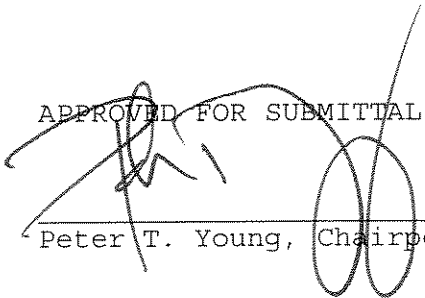
RECOMMENDATION: That the Board:

1. Approve in principle the above-described land acquisition between the State of Hawaii and the Applicant under the terms and conditions cited above which are by this reference incorporated herein, provided that the details of the proposed acquisition shall be submitted to the Board for final approval prior to documentation.
2. Subject to the proposed acquisition, approve of and recommend to the Governor the issuance of an executive order setting aside the subject lands to Department of Land and Natural Resources, Division of Forestry and Wildlife under the terms and conditions cited above, which are by this reference incorporated herein and subject further to the following:
  - A. The standard terms and conditions of the most current executive order form, as may be amended from time to time;
  - B. Disapproval by the Legislature by two-thirds vote of either the House of Representatives or the Senate or by a majority vote by both in any regular or special session next following the date of the setting aside;
  - C. Review and approval by the Department of the Attorney General; and
  - D. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.
3. Authorize DOFAW to go out to public hearing on the proposed addition(s), and authorize the Chairperson to approve the assignment of the hearing officer.

Respectfully Submitted,

  
Gavin Chun  
Project Development Specialist

APPROVED FOR SUBMITTAL:

  
Peter T. Young, Chairperson



